



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0417	<b>Title:</b>	Registration and regulation of home inspectors
<b>Primary Sponsor:</b>	Malek, Sue	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$10,170	\$5,150	\$5,279	\$5,411
<b>Revenue:</b>				
State Special Revenue	\$10,170	\$5,150	\$5,279	\$5,411
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

The fiscal impact from this bill will be the cost associated with the administration of a licensing program for home inspectors.

## FISCAL ANALYSIS

### Assumptions:

#### Department of Labor and Industry (DoLI)

1. It is estimated there will be 125 registered home inspectors.
2. The department will propose rules to implement the statute. It is assumed there will be a minimum of 10 pages for the rule adoption notice at \$50 per page for a cost of \$500.
3. There will be 40 hours of attorney time to write the rules and prepare the rule notice at \$95 per hour for a cost of \$3,800.
4. Interested parties will need to be notified of the proposed rules, the hearing and the adoption of the rules. There estimated to be 50 interested parties and 125 prospective licensees who will be notified by post card and guided to the department's website to review the notices. Printing and mailing is estimated to be \$350 (175 x \$1 for printing and postage x 2 mailings).
5. The cost of the rule hearing is estimated to be \$370 (court report @ \$100 per hour x 2 = \$200; hearings examiner @ \$85 per hour x 2 hours = \$170).

6. Operating costs are estimated to be \$3,250 for each year of the biennium (\$850 estimated cost for supplies, i.e. paper, envelopes, etc; \$400 printing charges for applications, licenses, renewal notices, and newsletters; \$400 postage for mailings, i.e. renewals, news letters and general correspondence; \$850 for phone and communication expenses; \$750 educational materials from industry and subscriptions).
7. The department anticipates 2 complaints per year regarding the professional conduct of the registered home inspector. Each complaint will take an average of 10 hours of attorney time to process at \$95 per hour x 2 complaints = \$1,900. The investigation and administrative portion of the complaints will be handled by existing staff.
8. The administration of this program will be combined with existing workload.
9. The enhancement of the licensing database to include this license type will be addressed by current IT staff.
10. Registration and application fees will be set commensurate with the cost of administering the program.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$10,170	\$5,150	\$5,279	\$5,411
<b>TOTAL Expenditures</b>	<b>\$10,170</b>	<b>\$5,150</b>	<b>\$5,279</b>	<b>\$5,411</b>
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$10,170	\$5,150	\$5,279	\$5,411
<b>TOTAL Funding of Exp.</b>	<b>\$10,170</b>	<b>\$5,150</b>	<b>\$5,279</b>	<b>\$5,411</b>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$10,170	\$5,150	\$5,279	\$5,411
<b>TOTAL Revenues</b>	<b>\$10,170</b>	<b>\$5,150</b>	<b>\$5,279</b>	<b>\$5,411</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

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Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date